STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING AMENDED REPORT													
	APPLICATION FOR PERMIT TO DRILL								1. WELL NAME and N	UMBER RW 33-23	BAGR		
2. TYPE OF WORK DRILL NEW WELL (REENTER P&A WELL DEEPEN WELL)							3. FIELD OR WILDCA	T RED WA	ASH				
4. TYPE OF WELL 5							5. UNIT or COMMUNI	TIZATION A		NT NAM	E		
Oil Well Coalbed Methane Well: NO 6. NAME OF OPERATOR									7. OPERATOR PHONE	Ē.			
QEP ENERGY COMPANY 303 308-3068 8. ADDRESS OF OPERATOR 9. OPERATOR E-MAIL 11002 East 17500 South, Vernal, Ut, 84078 debbie.stanberry@gepres.com													
	RAL LEASE NU		11002 East 1		, Vernal, Ut, 84078 1. MINERAL OWNERS	HIP		-	debbie.stanberry@qepres.com 12. SURFACE OWNERSHIP				
(FEDERA	L, INDIAN, OR	STATE) UTU0559			FEDERAL INDI	IAN STATE							
13. NAMI	OF SURFAC	E OWNER (if box	12 = 'fee')						14. SURFACE OWNE	R PHONE (i	f box 12 =	'fee')	
15. ADDF	RESS OF SURF	ACE OWNER (if I	oox 12 = 'fee')						16. SURFACE OWNE	R E-MAIL (i	f box 12 =	: 'fee')	
(if box 12 = 'INDIAN')					8. INTEND TO COMMI MULTIPLE FORMATION YES (Submit Co			_	19. SLANT VERTICAL DIRECTIONAL HORIZONTAL				
20. LOC	ATION OF WE	LL		FOO	TAGES	QTR-QTR	SECTI	ION	TOWNSHIP	RAN	IGE	МЕ	RIDIAN
LOCATI	ON AT SURFA	CE		2008 FSL	. 2169 FEL	NWSE	23		7.0 S	22.0 E			S
Top of I	Jppermost Pr	oducing Zone		2008 FSL	. 2169 FEL	NWSE	23		7.0 S	22.0) E		S
At Tota	l Depth			2008 FSL	. 2169 FEL	NWSE	23		7.0 S	22.0) E		S
21. COU	NTY	UINTAH		2	2. DISTANCE TO NEAF	REST LEASE LINE (F	eet)	[23. NUMBER OF ACRES IN DRILLING UNIT				
					25. DISTANCE TO NEAR Applied For Drilling o		POOL	:	26. PROPOSED DEPTH MD: 6637 TVD: 6637				
27. ELEV	ATION - GROU	JND LEVEL		2	8. BOND NUMBER		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE						
		5411				ESB000024			49-251/49-2153				
						and Cement Info	rmation						
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.							Weight
Prod	7.875	5.5	0 - 6637	17.0	N-80 LT&C	9.5	Halliburton Light , Type Unknown 330 2.9			1.48	11.0		
Surf	12.25	8.625	0 - 4012	32.0	Unknown	0.0	Halliburton Premium , Type Unknown 382 1.48 Halliburton Light , Type Unknown 160 2.89				11.0		
	.2.20	0.020	0 1012	02.0		0.0				1.49	13.5		
ATTACHMENTS													
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES													
W ELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER ✓							COMPLETE DRILLING PLAN						
AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)							FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER						
DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) TOPOGRAPHICAL MAP													
NAME Jan Nelson TITLE Permit Agent						ent	PHONE 435 781-4331						
SIGNATURE DATE 11/06/						12	EMAIL jan.nelson@qepres.com						
	iber assigne 04753303				APPROVAL		Ballyill						
	Permit Manager												

QEP ENERGY COMPANY

RW 33-23AGR New Vertical Well Summarized Procedure

- 1. MIRU.
- 2. Drill 12 ¼" surface hole to 200', then drill 11" to 4,012'.
- 3. Run 8 5/8", 32#, HCK-55, LTC casing and cement to surface.
- 4. NU rig's 3,000 WP rated BOP. Test BOP's and surface casing.
- 5. PU straight hole BHA, drill out surface casing and 10' of new formation, run FIT.

- 6. Drill 7 7/8" hole to 6,637'.
- 7. TOOH, MIRU Loggers.
- 8. Log from surface casing to TD.
- 9. RDMO Loggers.
- 10. TIH, Circulate.
- 11. TOOH & LDDP.
- 12. PU and run 5 1/2", 17.0#, N-80, LTC casing to TD, cement casing.
- 13. ND BOP's.
- 14. RDMOL.

ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	3,087
Bird's Nest	3,442°
Mahogany Bench	3,962'
Eagle	5,072'
Gulch	5,587'
Mesa	5,837'
TD	6,637

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	<u>Depth</u>
Oil	Eagle	5,072
Oil	Gulch	5,587
Oil	Mesa	5,837'

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not

ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM

depleting to the Upper Colorado River System, to supply fresh water for drilling purposes. All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonsits Valley Disposal Site; SWNW, Section 12, T8S, R21E.

3. Operator's Specification for Pressure Control Equipment:

- A. A 3,000 psi double gate, 3,000 psi annular BOP (schematic included) from surface casing point to total depth.
- B. Functional test daily.
- C. All BOP connections subject to pressure shall be flanged, welded or clamped.
- D. Kill line (2" min), 2 choke line valves (3" min), choke line (3" min), 2 kill line valves (2" min) and a check valve, 2 chokes with one remotely controlled from rig floor and a pressure gauge on choke manifold.
- E. Upper and Lower Kelly cock valves with handles and safety valve and subs to fit all drill string connections.
- F. IBOP or float sub available.
- G. Fill up line must be installed above the uppermost preventer.
- H. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- I. Ram type preventers and associated equipment shall be tested to the approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

ONSHORE OIL & GAS ORDER NO. 1 **QEP ENERGY COMPANY** RW 33-23AGR

DRILLING PROGRAM

4. Casing Design:

Hole Size	Csg. Size	Top (MD)	Bottom (MD)	Wt.	Grade	Thread	Cond.	MW
17-1/2""	14"	sfc	40'	Steel	Cond.	None	Used	Air
12-1/4" to 200'/11" to Surface TD	8-5/8"	sfc	4,012'	32.0	HCK-55	LTC	New	Air
7-7/8"	5-1/2"	sfc	6,637'	17.0	N-80	LTC	New	8-9.5 ppg

Casing S	Strengths:			Collapse	Burst	Tensile (min)
8-5/8"	32.0 lb.	HCK-55	LTC	3,740 psi	3,930 psi	452,000 lb.
5-1/2"	17.0 lb.	N-80	LTC	6,290 psi	7,740 psi	348,000 lb.

MINIMUM DESIGN FACTORS:

COLLAPSE: 1.125 BURST: 1.10 TENSION: 1.80

Area Fracture Gradient:

0.65 psi/foot

Maximum anticipated mud weight:

9.5 ppg

Maximum surface treating pressure: 4,000 psi

Over pull margin (minimum):

100,000 lbs

5. **Cementing Program**

14" Conductor:

Cement to surface with construction cement.

8-5/8" Surface Casing: sfc – 4,012' (MD)

Lead Slurry: 0' - 3,500'. 160 sks (555 cu ft) ECONOCEM V4 + 3.0 lb/sk Kol-Seal. Slurry wt: 11.0 ppg, Slurry yield: 2.89 ft³/sk, Slurry volume: 12-1/4" to 200', 11" to Surface TD and hole + 75% excess.

Tail Slurry: 3,500' – 4,012'. 160 sks (150 cu ft) EXPANDACEM V3 + 0.2% HR-800 + 1.0 lb/sk Granulite TR 1/4 + 0.13 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: $1.49 \text{ ft}^3/\text{sk}$, Slurry volume: 11" to TD and hole + 75% excess.

ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM

5-1/2" **Production Casing: sfc – 6,637' (MD)**

Lead Slurry: 0' - 4,500'. 330 sks (975 cu ft) Extendacem cement + 3.0 lb/sk Kol-Seal. Slurry wt: 11.0 ppg, Slurry yield: 2.95 ft³/sk, Slurry volume: 7-7/8" hole + 25% excess in open hole section.

Tail Slurry: $4,500^{\circ}$ – $6,637^{\circ}$. 382 sks (566 cu ft) BONDCEM V1 + 0.2% HR-5 + 3.0 lb/sk Kol-Seal + 0.125 lb/sk Poly-E-Flake. Slurry wt: 13.5 ppg, Slurry yield: 1.48 ft³/sk, Slurry volume: 7-7/8" hole + 25% excess.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface on the production string. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

6. Auxiliary Equipment

- A. Kelly Cock yes
- B. Float at the bit no
- C. Monitoring equipment on the mud system visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor yes
- E. Rotating Head yes
- F. Request for Variance

Possibility of drilling surface hole with air or aerated fluid:

A variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III Requirements, subsection E. Special Drilling Operations is requested for the specific operation of drilling and setting surface casing on the subject well with a truck mounted air rig. The variance from the following requirements of Order #2 is requested because surface casing depth for this well is 50' into the Mahogany Bench formation and high pressures are not expected.

- 1. **Properly lubricated and maintained rotating head** A diverter system in place of a rotating head. The diverter system forces the air and cutting returns to the reserve pit and is used to drill the surface casing.
- 2. Blooie line discharge 100 feet from wellbore and securely anchored the blooie line discharge for this operation will be located 50 to 70 feet from the wellhead. This reduced length is necessary due to the smaller location size to minimize surface disturbance.

ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM

- 3. Automatic igniter or continuous pilot light on blooie line a diffuser will be used rather than an automatic pilot/igniter. Water is injected into the compressed air and eliminates the need for a pilot light and the need for dust suppression equipment.
- 4. Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the wellbore compressors located within 50 feet on the opposite side of the wellbore from the blooie line and is equipped with a 1) emergency kill switch on the driller's console, 2) pressure relief valves on the compressors, 3) spark arrestors on the motors.
- 5. Well Kill Fluid A suitable amount of water and weighting agents will be available in the reserve pit during air drilling operations to kill the well, if necessary. No overpressured zones are expected in the area.
- 6. **Deflector on the end of the blooie line** Questar will mount a deflector unit at the end of the blooie line for the purpose of changing the direction and velocity of the air and cuttings flow into the reserve pit. Changing the velocity and direction of the cuttings and air will preserve the pit liner. In the event the deflector washes out due to erosion caused by the sand blasting effect of the cuttings, there will be no problem because the deflector is mounted on the very end of the blooie. A washed out deflector will be easily replaced.
- 7. Flare Pit there will be no need of a flare pit during the surface hole air drilling operation because the blooie line is routed directly to the reserve pit. When the big rig arrives for the main drilling after setting surface easing, a flare box will be installed and all flare lines will be routed to the flare box.
- G. All other operations and equipment for air/gas drilling shall meet specifications in Onshore Order #2, Section III Requirements, subsection E. Special Drilling Operations and Onshore Order #1.
- H. Drilling below the 8-5/8" casing will be done with water based mud. Maximum anticipated mud weight is 9.5 ppg.
- I. No minimum quantity of weight material will be required to be kept on location.
- J. Gas detector will be used from surface casing depth to TD.

Gas detector will be used from surface casing depth to TD.

7. Testing, logging and coring program

- A. Cores none anticipated
- B. DST none anticipated

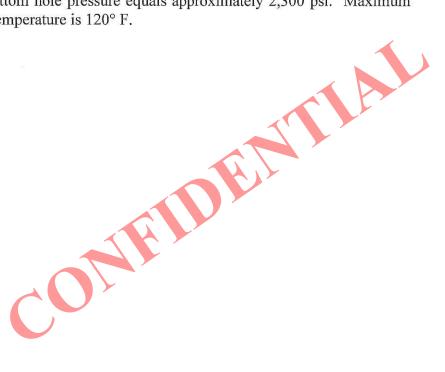
ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM

- C. Logging Mud logging –Surf Casing to TD GR-SP-Induction, Neutron Density
- D. Formation and Completion Interval: Green River intervals, final determination of completion will be made by analysis of logs.
 Stimulation Stimulation will be designed for the particular area of interest as encountered.

8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

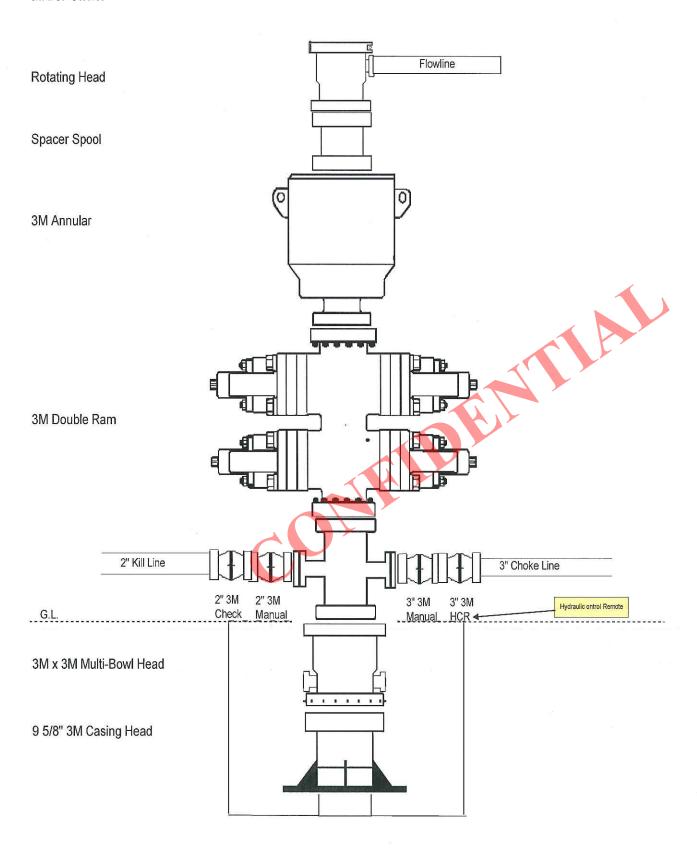
No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2,300 psi. Maximum anticipated bottom hole temperature is 120° F.



ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

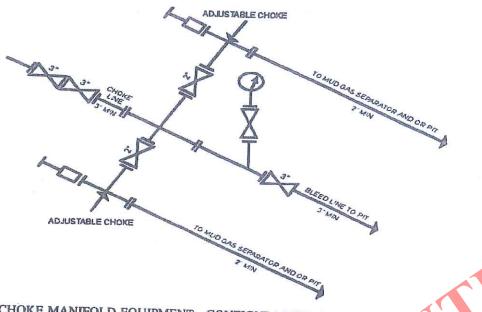
DRILLING PROGRAM

3M BOP STACK



ONSHORE OIL & GAS ORDER NO. 1 QEP ENERGY COMPANY RW 33-23AGR

DRILLING PROGRAM



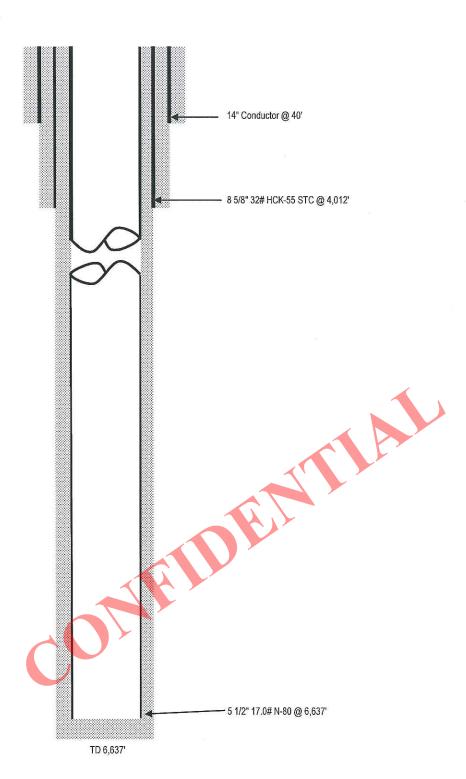
3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION OF CHOKES MAY VARY [54 FR 39528, Sept. 27, 1989]

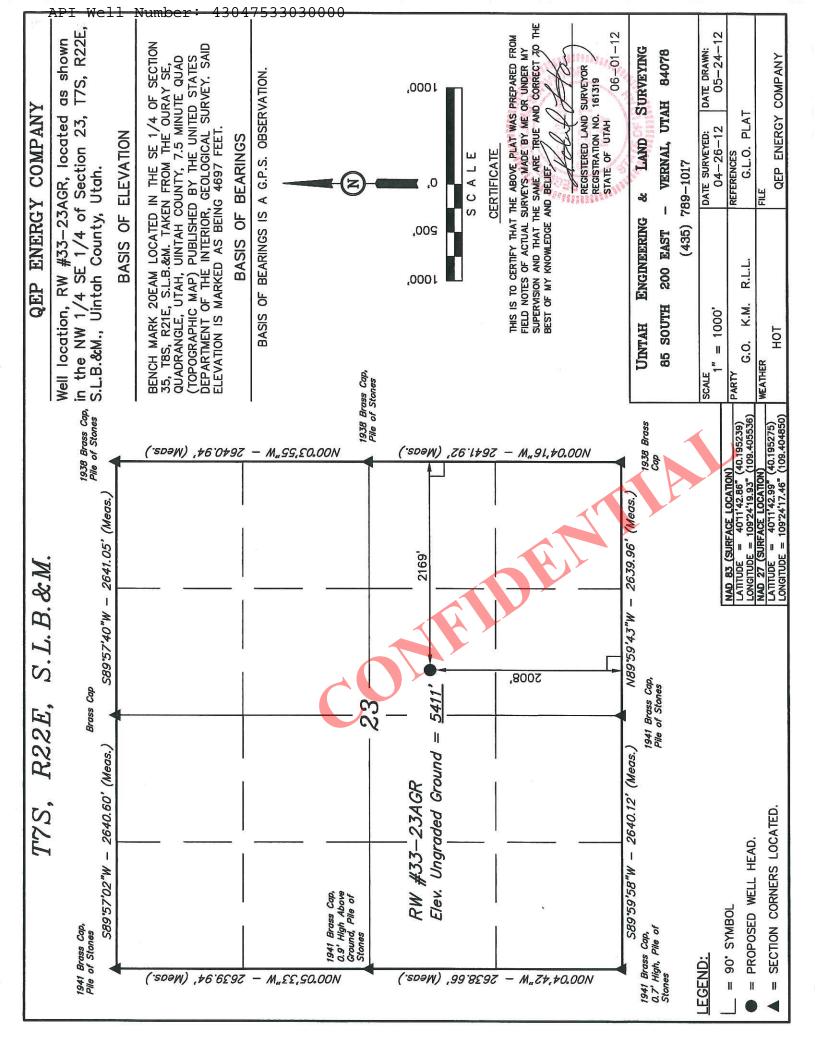
Modified 10-25-2012 CRA

RW 33-23AGR API # 43-047 Proposed WBD Uinta Basin

NESE Sec. 23, T7S-R22E, Uintah Co, UT LOCATION: 2,008' FSL, 2,169' FEL

KB 5,423' GL 5,407'





QEP ENERGY COMPANY

RW #33-23AGR

LOCATED IN UINTAH COUNTY, UTAH SECTION 23, T7S, R22E, S.L.B.&M.

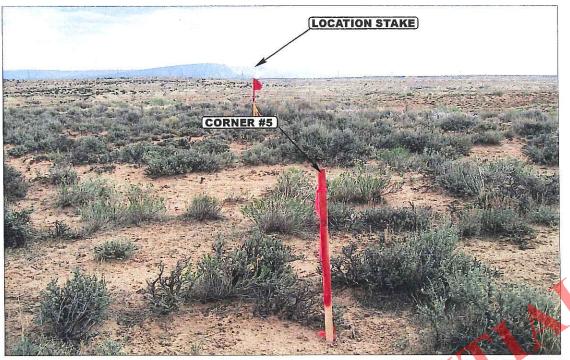


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

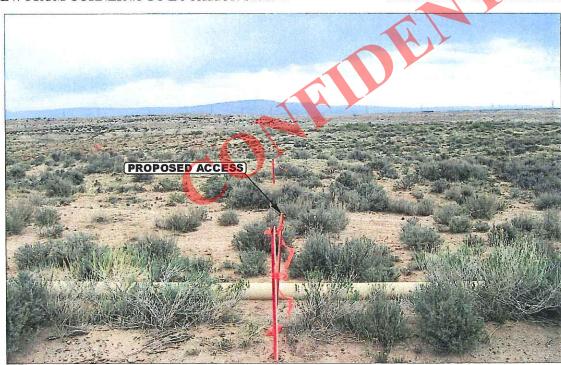


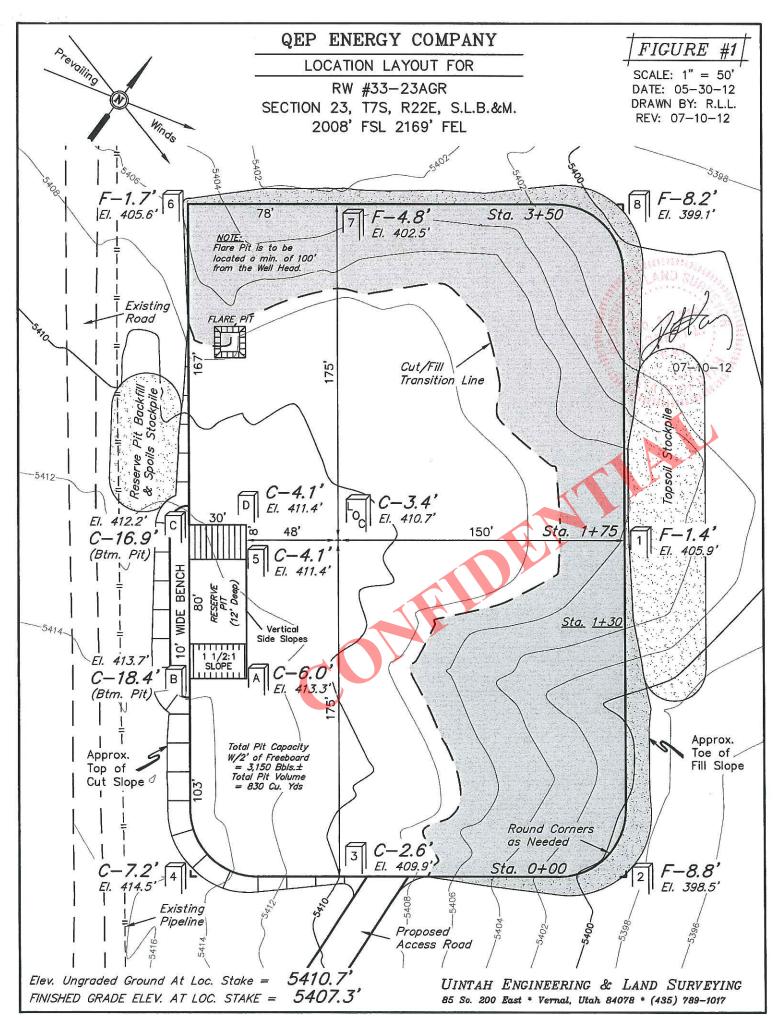
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

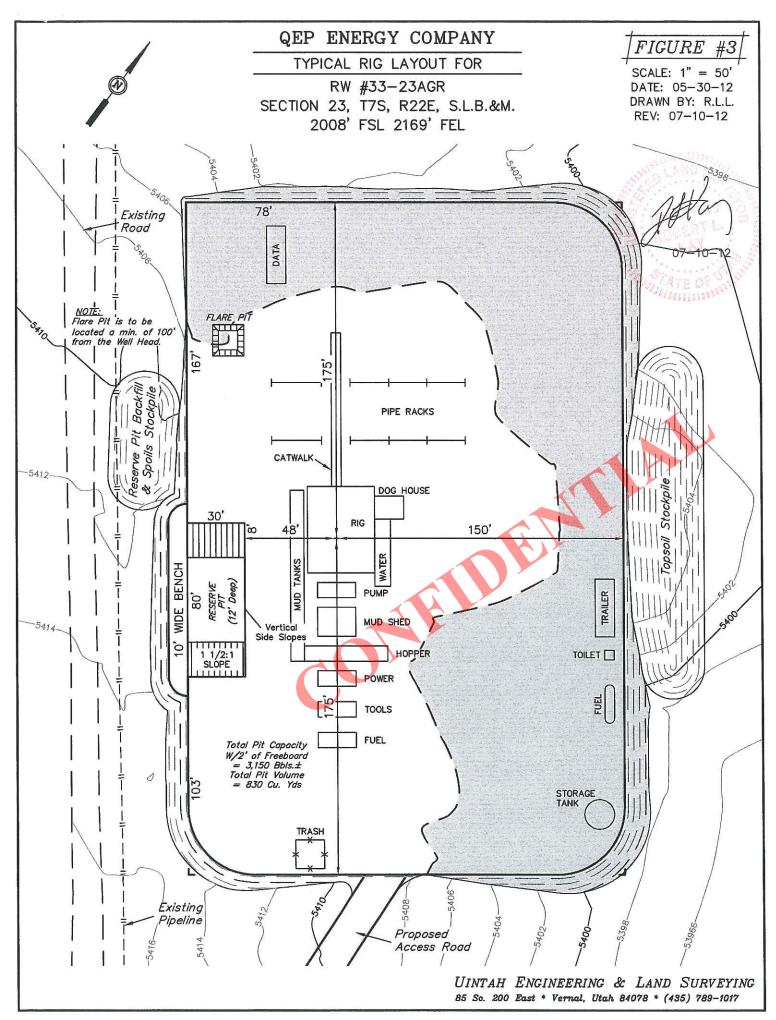
CAMERA ANGLE: NORTHEASTERLY

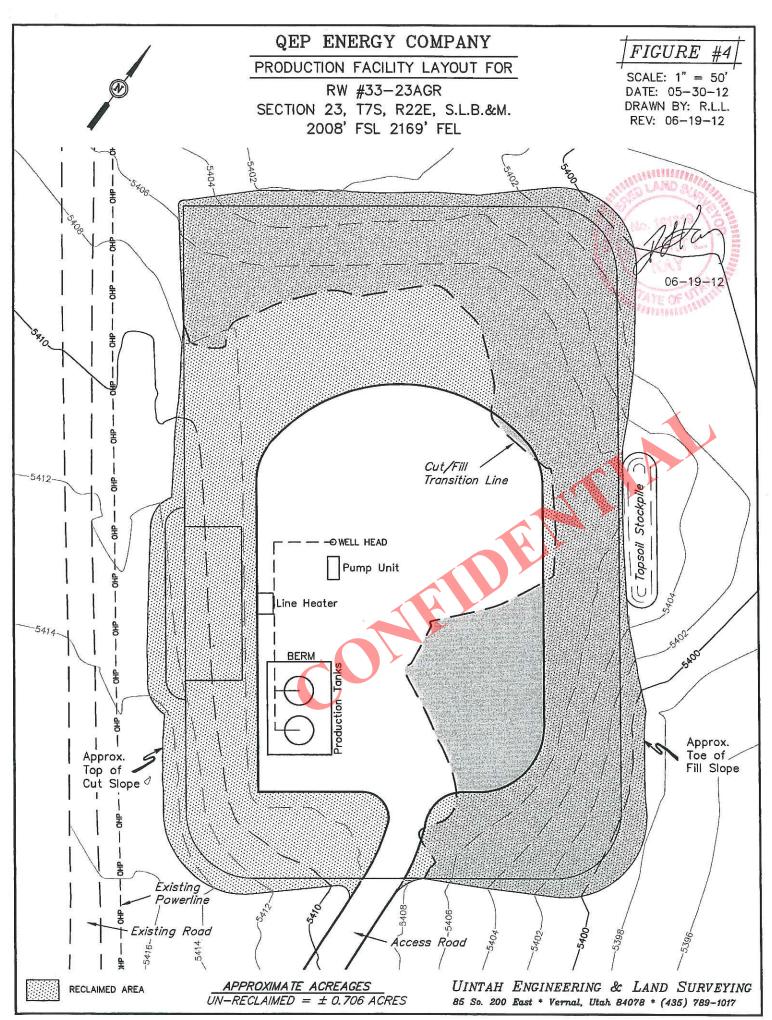
Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS 05 31 12 PHOTO TAKEN BY: GO. DRAWN BY: C.I. REVISED: 00-00-00



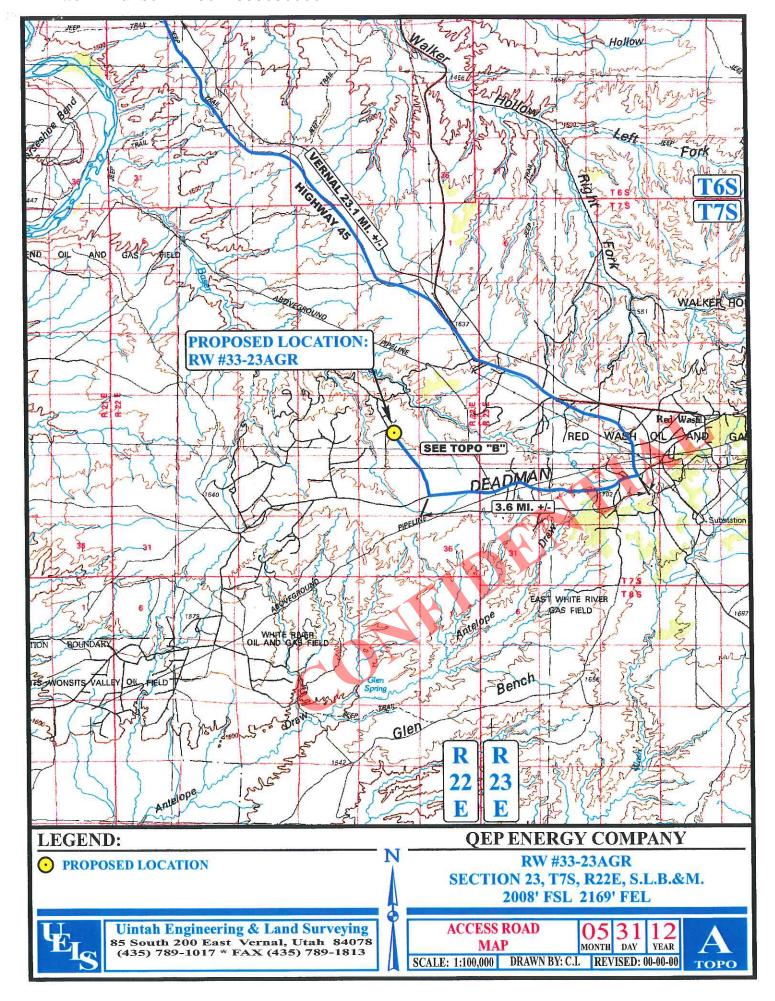


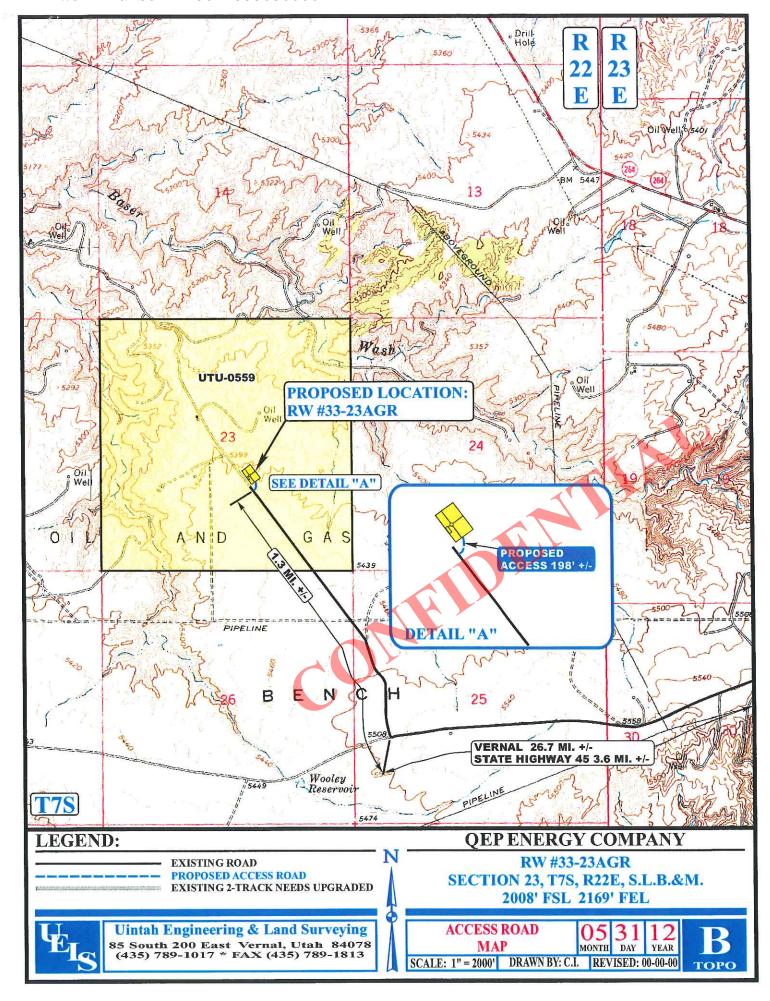


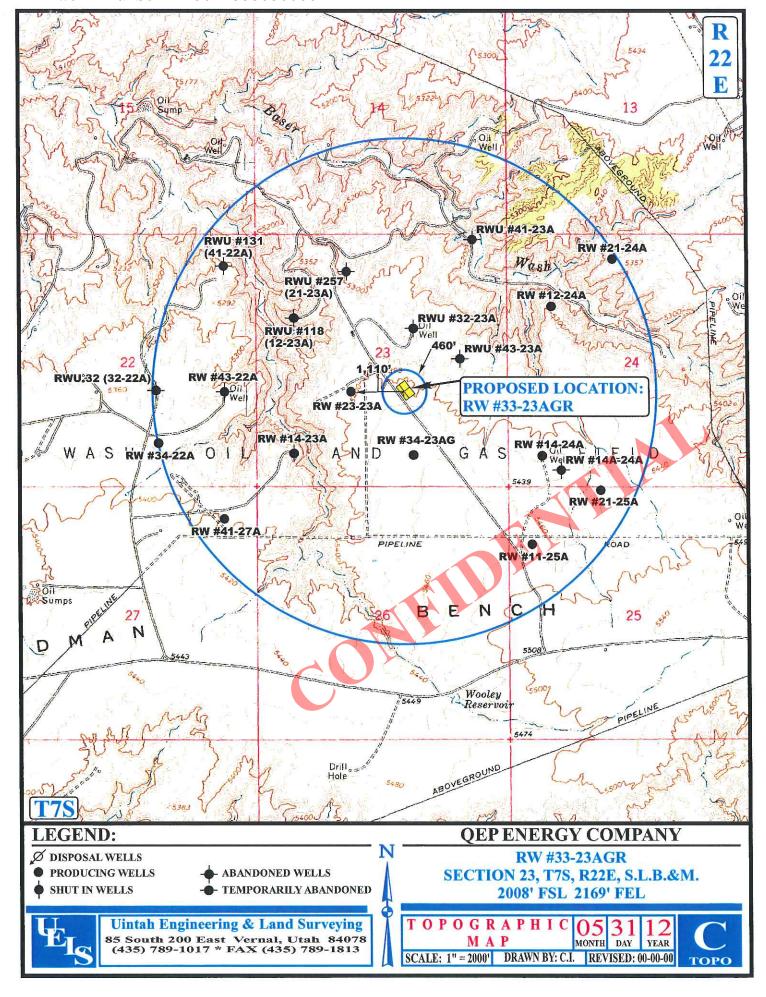
QEP ENERGY COMPANY RW #33-23AGR SECTION 23, T7S, R22E, S.L.B.&M.

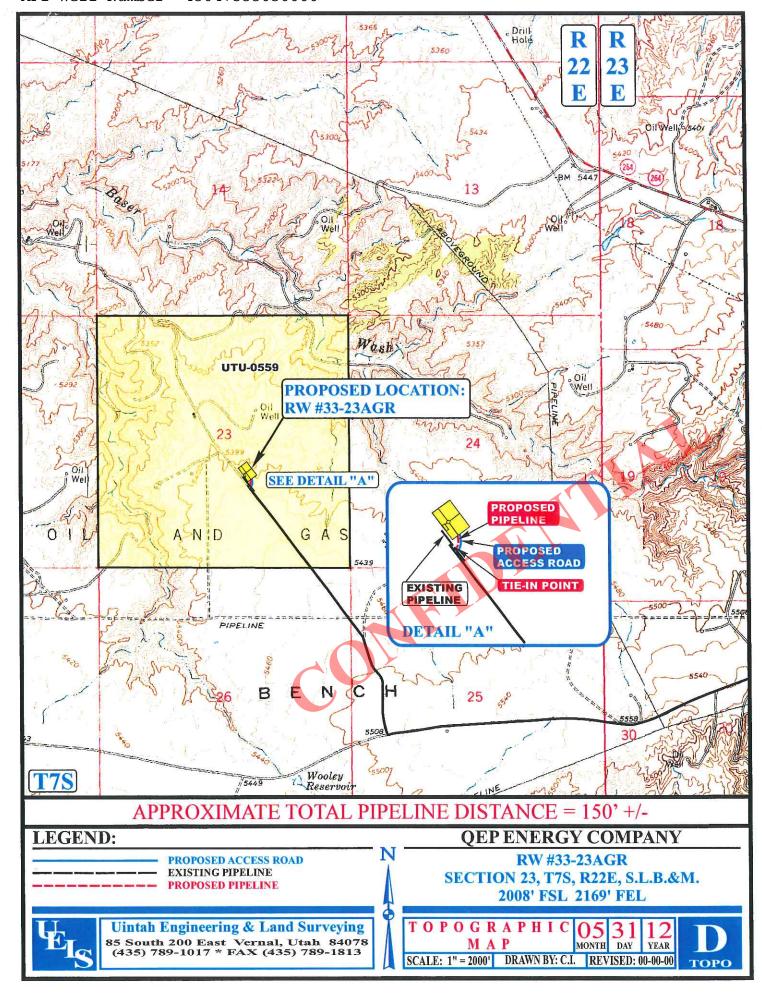
PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 19.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 3.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE EAST; FOLLOW ROAD FLAGS IN A EASTERLY, THEN NORTHERLY DIRECTION APPROXIMATELY 198' TO THE PROPOSED LOCATION.

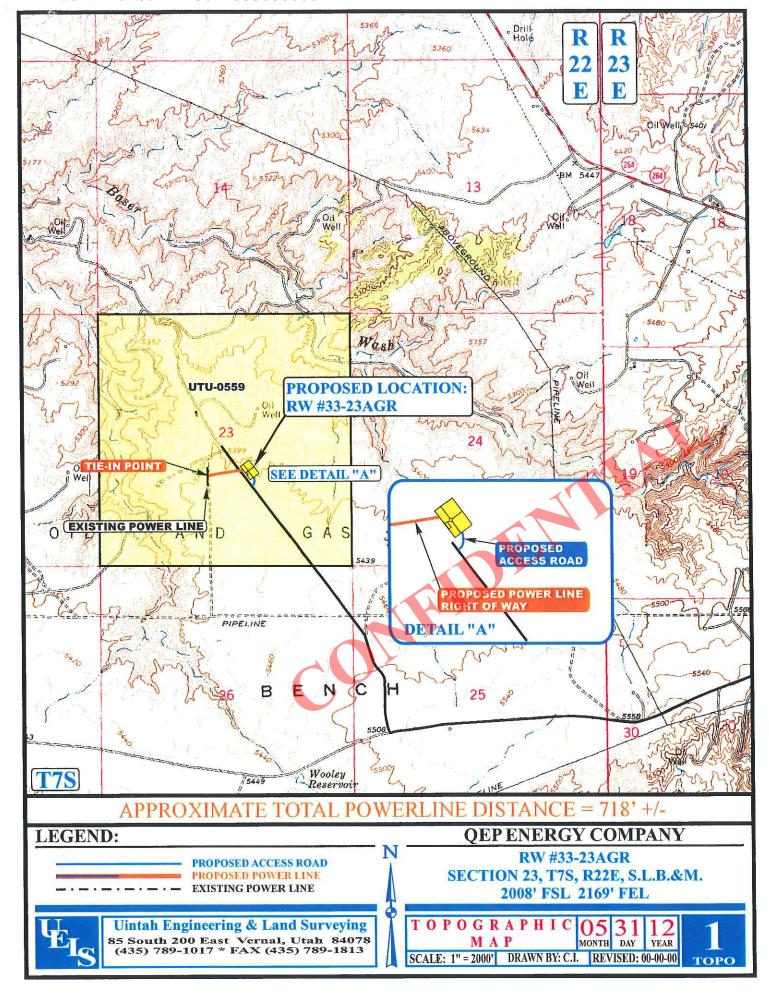
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 28.0 MILES.







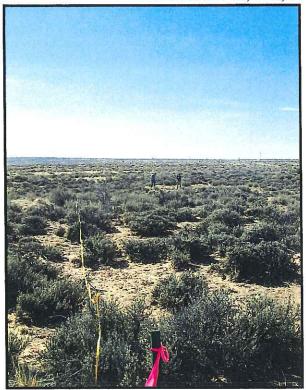




QEP ENERGY COMPANY

REFERENCE MAP: AREA OF VEGETATION RW #33-23AGR

> LOCATED IN UINTAH COUNTY, UTAH **SECTION 23, T7S, R22E, S.L.B.&M.**



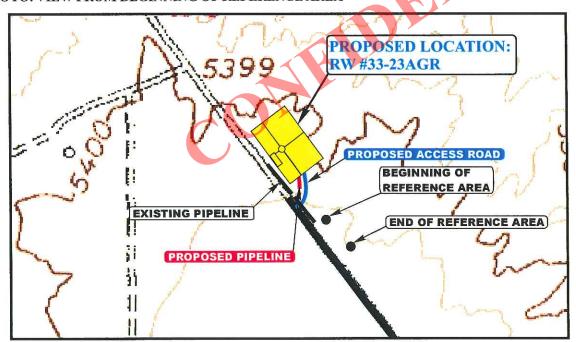
NOTE:

BEGINNING OF REFERENCE AREA NAD 83 Z12 UTM NORTHING: 14601445.149 NAD 83 Z12 UTM EASTING: 2085934.503 40.194175 (NAD 83) LATITUDE: (NAD 83) LONGITUDE: -109.404661

END OF REFERENCE AREA

NAD 83 Z12 UTM NORTHING: 14601300.852 NAD 83 Z12 UTM EASTING: 2086069.796 (NAD 83) LATITUDE: 40.193772 (NAD 83) LONGITUDE: -109.404186

PHOTO: VIEW FROM BEGINNING OF REFERENCE AREA



Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813

SCALE: 1" = 500' TAKEN BY: G.O. DRAWN BY: C.I. REVISED: 00-00-00

MONTH DAY YEAR

REF.

QEP ENERGY COMPANY RW 33-23AGR NWSE, SECTION 23, T7S, R22E UINTAH COUNTY, UT LEASE # UTU-0559

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the RW 33-23AGR on June 20, 2012. Weather conditions were sunny at the time of the onsite. In attendance at the inspection were the following individuals:

Kevin Sadlier Bureau of Land Management
Aaron Roe Bureau of Land Management
Melissa Wardle Bureau of Land Management

Jan NelsonQEP Energy CompanyValyn DavisQEP Energy CompanyEric WickershamQEP Energy CompanyRyan AngusQEP Energy Company

Greg Olsen Uintah Engineering & Land Surveying

1. Existing Roads:

See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

The proposed well site is located approximately 28 miles south of Vernal, Utah.

-See attached TOPO Map "A".

Existing roads will be upgraded, maintained and repaired as necessary.

2. Planned Access Roads:

An offlease right-of-way is not required. The entire well pad and access road are located within the Red Wash Unit.

The existing 2-track road will be upgraded. The proposed road upgrade is 198' in length, 30' in width, containing approximately 0.136 acres.

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Any additional disturbance required due to intersections or sharp curves will be discussed at the on-site and approved by the BLM.

Graveling or capping the roadbed will be performed as necessary to provide a well constructed safe road. Surface disturbance and vehicular traffic will be limited to the approved location and access route or, as proposed by the Operator.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards.

If culverts are needed, the location and size of the culverts will be proposed during the on-site. The operator will clean and maintain approved culverts as needed.

All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards.

The access road disturbed area will be kept free of trash during operations. All traffic will be confined to the approved road running surface. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause excess siltation or accumulation of debris in the drainage nor shall the drainage be blocked by the roadbed.

Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, the holes shall be filled in and detours around the holes avoided.

When snow is removed from the road during the winter months, the snow should be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

Refer to Topo Map B for the location of the proposed access

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site-specific APD showing the location of existing wells within a one mile radius.

Please refer to Topo map C.

4. <u>Location of Existing and Proposed Facilities:</u>

The following guidelines will apply if the well is productive.

A containment dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The specific APD will address additional capacity if such is needed due to environmental concerns. The use of topsoil for the construction of dikes will not be allowed.

All loading lines will be placed inside the berm surrounding the tank batteries.

All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a color approved by the BLM.

It was determined on the onsite by the BLM VFO/AO that the facilities will be painted Covert Green.

5. Power line

Electrification of the well sites will reduce the emissions and increase reliability by removing the gas venting of pumps for the heat trace system and chemical injection, as well as increase well pad safety by adding lights to the location.

Access into the proposed power lines will be from existing highways and roads. All construction and vehicular traffic will be confined to the authorized access corridor and designated county and/or BLM roads unless otherwise authorized and approved by the regulating agency

All work will be done in accordance with REA specifications.

QEP Energy Company is proposing a 50 ft temporary authorized access and a 15 ft permanent authorized access for power line maintenance. Minimal to no disturbance is required for the power lines following roads and existing ROW's.

The proposed power line will be 718' in length, 15 ft in width, containing 0.247 acres.

6. Location and Type of Water Supply:

Fresh water will be obtained from Wonsits Valley water right # 49-251 (which was filed on May 7, 1964,) or Red Wash water right # 49-2153 (which was filed on March 25, 1960). It was determined by the Fish and Wildlife Service that any water right number filed before 1989 is not depleting to the Upper Colorado River System, to supply fresh water for drilling purposes.

7. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

8. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 6 months after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

It was determined at the on-site inspection that a pit liner is necessary; the reserve pit will be lined with a synthetic reinforced liner, a minimum of 20 millimeters thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap will be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the AO.

Disposal of Produced Water:

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, all produced water will be contained in tanks on location.

After the 90 day period, the produced water will be contained in tanks on location and then hauled by truck to the following pre-approved disposal site:

Red Wash Disposal well located in the SESE, Section 28, T7S, R23E, West End Disposal located in the NESE, Section 28, T7S, R22E.

Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site. The spills will be reported to the AO and other authorities as appropriate.

A chemical porta-toilet will be furnished with the drilling rig. The chemical portatoilet wastes will be hauled to Ashley Valley Sewer and Water System for disposal.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig. All trash and waste material will be hauled to the Uintah County Landfill.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or

completing of wells. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within these areas. Specific APD's shall address any modifications from this policy.

9. Ancillary Facilities:

This will be an independent well location. Product will be contained in two 500 bbl tanks and then transported from location to delivery site.

A suitable muffler will be installed on pumping unit to help reduce noise control.

The pipeline will be steel, welded schedule #40 or greater, and consist of one (1) 3" inside diameter oil line and two (2) 1 1/4" inside diameter trace lines. The pipelines will be welded together on location and pulled separately into place. The lines will be banded together in one (1) bundle, insulated, and covered with tin painted Covert Green. The pipeline will laid within 20 feet of existing roads, pipelines, or existing route authorizations as much as possible. Pipeline route alternatives will be discussed at the on-site and the resulting proposal will be described in the APD. Road crossings will have a casing installed over the pipeline and ramped so the pipeline will not be buried. Pipeline Route Authorizations will be 30' wide and the location noted on maps accompanying the APD.

FUEL GAS LINE: The pipeline will be a 2" inside diameter, poly pipe with a rating of 160 psi or greater. The line will be laid adjacent to the bundled line following the line to location.

The pipeline will be 150' in length, containing approximately 0.103 acres.

10. Well Site Layout:

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of mud tanks, reserve pits, flare pit or flare box, pipe racks, trailer parking, spoil dirt stockpile(s), and the surface material stockpile(s) will be included with the site specific APD.

Please see the attached diagram rig orientation, parking areas, and access roads, as well as the location of the following:

The reserve pit.

The stockpiled topsoil will not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.

The flare pit or flare box will be located downwind from the prevailing wind direction.

Any drainage that crosses the well location will be diverted around the location by using ditches, water diversion drains or berms. If deemed necessary at the onsite, erosion drains may be installed to contain sediments that could be produced from access roads and well locations.

11. Fencing Requirements:

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched using a stretching device before it is attached to corner posts.

The reserve pit will be fenced on three (3) sides during drilling operations. The fourth side will be put in place when the rig moves off location. The pit will be fenced and maintained until it is backfilled. If drilling operations does not commence within 3 days, the fourth side of the fence will be installed.

12. Reclamation Plan:

Reclamation will follow QEP Energy Company, Uinta Basin Division's Reclamation Plan, September 2009 (QEP Energy Plan) and the BLM Green River District Reclamation Guidelines.

All trash and debris will be removed from the disturbed area.

The disturbed area will be backfilled with subsoil.

Topsoil will be spread to an even, appropriate depth and disced if needed.

Water courses and drainages will be restored. Erosion control devices will be installed where needed.

Seeding will be done in the fall, prior to ground freeze up.

Seed mix will be submitted to a BLM AO for approval prior to seeding.

Monitoring and reporting will be conducted as stated in QEP Energy Company's Reclamation Plan. Weed control will be conducted as stated in QEP Energy Company's Reclamation Plan.

A reference site and weed data sheet have been established and are included in this application.

Please see attached Weed Data Sheet.

Dry Hole/Abandoned Location:

On lands administered by the BLM abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions may include the reestablishment of irrigation systems; reestablishment of appropriate soil conditions; and, the reestablishment of vegetation as specified.

All disturbed surfaces will be recontoured to approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment.

At final abandonment, the Operator will cap the casing with a metal plate a minimum of 0.25 inch thick. The cap will be welded in place and the well location and identity will be permanently inscribed on the cap. The cap will be constructed with a weep hole. The depth of the permanent cap will be determined at the time of final abandonment. Long-term reclamation will then be applied and will follow the reclamation process described in this plan. When reclamation is deemed successful by the Operator and the BLM, the Operator will request a bond release.

13. <u>Surface Ownership</u>:

The well pad and access road are located on lands owned by:

Bureau of Land Management 170 South 500 East Vernal, UT 84078

14. Other Information:

Drilling rigs and/or equipment used during drilling operations will not be stacked or stored on Federal lands or State administered lands after the conclusion of drilling operations or at any other time without authorization by the BLM Authorized Officer. If BLM authorization is obtained, such storage is only a temporary measure.

A Class III archeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted on September 5, 2012, **State of Utah Antiquities Report U-12-MQ-0621b** by Montgomery Archaeology Consultants. Cultural resource clearance has been recommended for this project.

A paleontological survey was conducted by Intermountain Paleo Consulting. A copy of this report was submitted on September 10, 2012, Report No. IPC 12-111 by Stephen D. Sandau. The inspection resulted in the location of no fossil resources. However, if vertebrate fossil(s) are found during construction a paleontologist should be immediately notified. QEP will provide Paleo monitor if needed.

Per the onsite meeting on June 20, 2012, the following items were requested/discussed.

There is 8" topsoil

There is a Ferruginous Hawk Stipulation from March 1 to August 1. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

There is a Golden Eagle Stipulation from January 1 to August 31. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

Lessee's or Operator's Representative & Certification:

Jan Nelson Permit Agent QEP Energy Company 11002 East 17500 South Vernal, UT 84078 (435) 781-4331

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

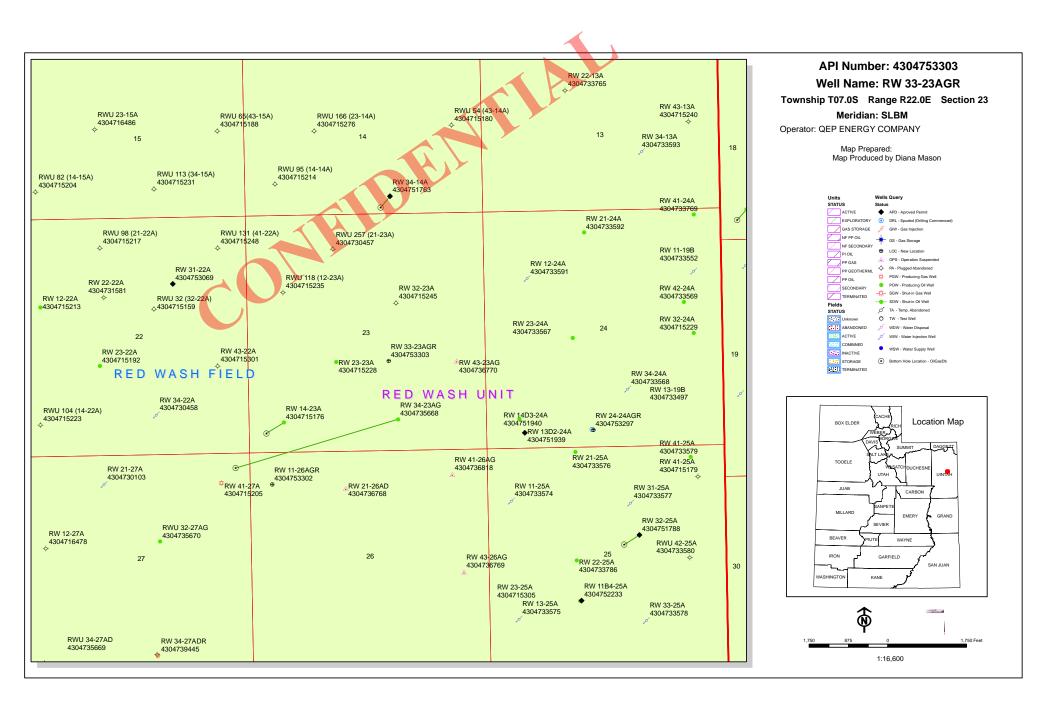
QEP Energy Company is considered to be the operator of the subject well. QEP Energy Company agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104.2 for lease activities is being provided by Bond No. ESB000024

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operations; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

 Jan Nelson
 11/1/2012

 Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

November 14, 2012

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2012 Plan of Development Red Wash Unit,

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2012 within the Red Wash Unit, Uintah County, Utah.

API# WELL NAME LOCATION

(Proposed PZ Green River)

43-047-53297 RW 24-24AGR Sec 24 T07S R22E 0385 FSL 2348 FWL 43-047-53299 RW 34-20BG Sec 20 T07S R23E 0473 FSL 1856 FEL 43-047-53300 RW 22-17BGR Sec 17 T07S R23E 2355 FNL 1761 FWL 43-047-53301 RW 24-29BGR Sec 29 T07S R23E 0999 FSL 1928 FWL 43-047-53302 RW 11-26AGR Sec 26 T07S R22E 0705 FNL 0476 FWL 43-047-53303 RW 33-23AGR Sec 23 T07S R22E 2008 FSL 2169 FEL 43-047-53305 RW 31-31BGR Sec 31 T07S R23E 0995 FNL 1879 FEL 43-047-53307 RW 24-14AGR Sec 14 T07S R22E 0085 FSL 1983 FWL 43-047-53308 RW 24-23AGR Sec 23 T07S R22E 0556 FSL 2010 FWL 43-047-53309 RW 24-13AGR Sec 13 T07S R22E 0743 FSL 1653 FWL 43-047-53310 RW 13-17BGR Sec 17 T07S R23E 1582 FSL 0677 FWL 43-047-53311 RW 11-27AGR Sec 27 T07S R22E 0782 FNL 0716 FWL 43-047-53312 RW 44-24AGR Sec 24 T07S R22E 0275 FSL 0180 FEL 43-047-53316 RW 42-18BGR Sec 18 T07S R23E 2046 FNL 0998 FEL 43-047-53317 RW 11-23AGR Sec 23 T07S R22E 0485 FNL 1155 FWL

This office has no objection to permitting the wells at this time.

bcc: File - Red Wash Unit

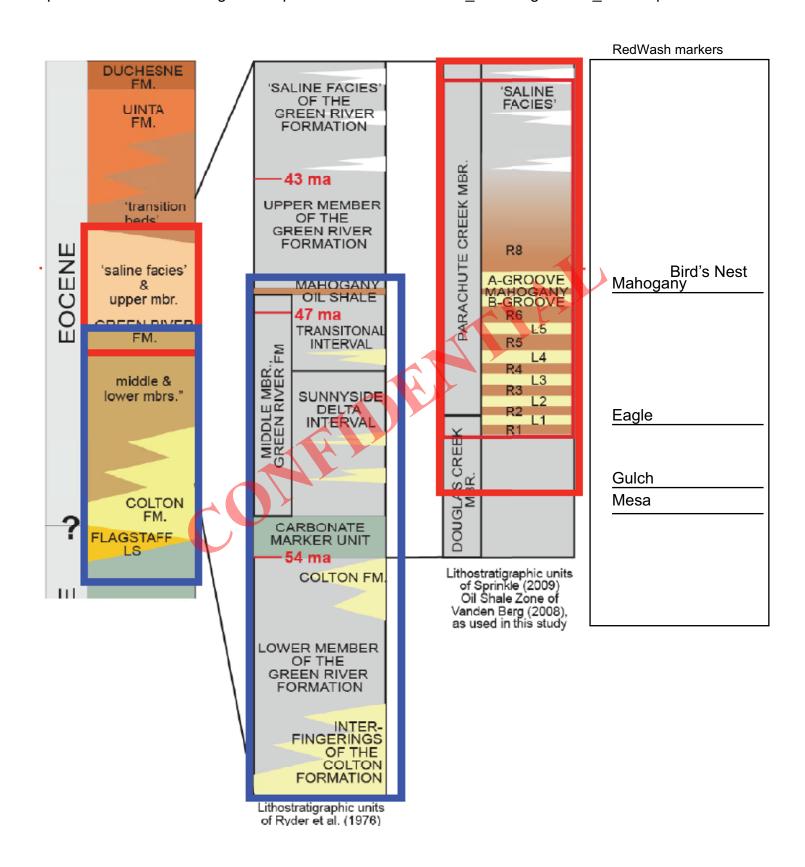
Division of Oil Gas and Mining

Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:11-14-12

RECEIVED: November 26, 2012

http://www.costar-mines.org/oss/30/presentation/Presentation_11-1-Birgenheier_Lauren.pdf



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/6/2012 **API NO. ASSIGNED:** 43047533030000

WELL NAME: RW 33-23AGR

OPERATOR: QEP ENERGY COMPANY (N3700) **PHONE NUMBER:** 435 781-4331

CONTACT: Jan Nelson

PROPOSED LOCATION: NWSE 23 070S 220E Permit Tech Review:

✓

SURFACE: 2008 FSL 2169 FEL Engineering Review:

BOTTOM: 2008 FSL 2169 FEL Geology Review:

COUNTY: UINTAH

LATITUDE: 40.19523

LONGITUDE: -109.40545

UTM SURF EASTINGS: 635724.00

FIELD NAME: RED WASH

LOCATION AND SITING:

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU0559 PROPUSED PRODUCING FORMATION(S): GREEN RIVER

SURFACE OWNER: 1 - Federal COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

▶ PLAT R649-2-3.

⊘ Bond: FEDERAL - ESB000024 Unit: RED WASH

Potash R649-3-2. General

Oil Shale 190-5

Oil Shale 190-3 R649-3-3. Exception

Oil Shale 190-13 Prilling Unit

Water Permit: 49-251/49-2153 Board Cause No: Cause 187-07

RDCC Review: Effective Date: 9/18/2001

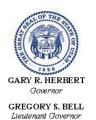
Fee Surface Agreement Siting: Suspends General Siting

Intent to Commingle R649-3-11. Directional Drill

Commingling Approved

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: RW 33-23AGR **API Well Number:** 43047533030000

Lease Number: UTU0559 Surface Owner: FEDERAL Approval Date: 11/26/2012

Issued to:

QEP ENERGY COMPANY, 11002 East 17500 South, Vernal, Ut 84078

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 187-07. The expected producing formation or pool is the GREEN RIVER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available) OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at http://oilgas.ogm.utah.gov

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
 - Requests to Change Plans (Form 9) due prior to implementation
 - Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
 - Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Approved By:

For John Rogers Associate Director, Oil & Gas Sundry Number: 38242 API Well Number: 43047533030000 FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

	STATE OF UTAH		FORM 9						
ı	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MINI		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0559						
SUNDR	Y NOTICES AND REPORTS C	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:						
Do not use this form for pro current bottom-hole depth, I FOR PERMIT TO DRILL form	posals to drill new wells, significantly d reenter plugged wells, or to drill horizon n for such proposals.	eepen existing wells below tal laterals. Use APPLICATION	7.UNIT or CA AGREEMENT NAME: RED WASH						
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: RW 33-23AGR								
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047533030000						
3. ADDRESS OF OPERATOR: 11002 East 17500 South ,	PHONE NUMBER: 308-3068 Ext	9. FIELD and POOL or WILDCAT: RED WASH							
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2008 FSL 2169 FEL			COUNTY: UINTAH						
QTR/QTR, SECTION, TOWNSH	HP, RANGE, MERIDIAN: 23 Township: 07.0S Range: 22.0E Meridia	an: S	STATE: UTAH						
11. CHECI	K APPROPRIATE BOXES TO INDICATE	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA						
TYPE OF SUBMISSION		TYPE OF ACTION							
-	ACIDIZE	ALTER CASING	CASING REPAIR						
✓ NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME						
5/28/2013	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE						
SUBSEQUENT REPORT	DEEPEN [FRACTURE TREAT	NEW CONSTRUCTION						
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK						
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION						
SPUD REPORT Date of Spud:	<u>-</u> -	_							
Date of Spud.	L REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON						
	L TUBING REPAIR	☐ VENT OR FLARE ☐	☐ WATER DISPOSAL						
DRILLING REPORT Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	APD EXTENSION						
	WILDCAT WELL DETERMINATION	OTHER	OTHER:						
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. QEP ENERGY COMPANY REQUESTS TO CHANGE THE DEPTH OF THE SURFACE CASING ON THE ABOVE CAPTIONED WELL. THE CHANGE WILL BE AS FOLLOWS: -RUN 8 5/8" SURFACE CASING FROM SURFACE TO 500'. ALL OTHER ASPECTS OF THE ORIGINAL APPROVAL WILL STAY THE SAME. By: By: Date: June 12, 2013									
NAME (PLEASE PRINT)	PHONE NUMBE								
Valyn Davis	435 781-4369	Regulatory Affairs Analyst							
SIGNATURE N/A		DATE 5/28/2013							

Form 3160-3 (August 2007)

RECEIVE

NOV 0 5 2017

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

RIM 6. If Indian, Allottee or Tribe N

Lease Serial No. UTU0559

					1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1100 I Valific
la. Type of Work:	⊠ DRILL	REENTER	CONFIL	DENTIAL	7. If Unit or CA Agreeme 8920007610	nt, Name and No.
1b. Type of Well:	⊠ Oil Well	☐ Gas Well ☐	Other Sin	ngle Zone Multiple Zone	8. Lease Name and Well 1 RW 33-23 AGR	No.
2. Name of Operato QEP ENERGY	Y COMPANY	Conti E-Mail: jan.r	act: JAN NELSON lelson@gepres.com		9. API Well No. 43	04753303
3a. Address 11002 EAST 17 VERNAL, UT 8	7500 SOUTH 14078		3b. Phone No. (incl Ph: 435-781-43 Fx: 435-781-439	31 1	10. Field and Pool, or Exp RED WASH	ploratory
4. Location of Well	(Report locat	ion clearly and in acco	ordance with any State rec	quirements.*)	11. Sec., T., R., M., or Bl	and Survey or Area
At surface	NWS	E 2008FSL 2169F	109.405536 W Lon	Sec 23 T7S R22E		
			EL 40.195239 N Lat,	109.405536 W Lon	SME: BLM	
28 MILES SOL	DIH OF VER				12. County or Parish UINTAH	13. State UT
lease line, ft. (A	roposed location Iso to nearest dr	to nearest property or ig. unit line, if any)	16. No. of Acres in	Lease	17. Spacing Unit dedicate	d to this well
2008		-			40.00	
18. Distance from pr completed, appl	roposed location ied for, on this l	to nearest well, drillin	g, 19. Proposed Depth		20. BLM/BIA Bond No. o	n file
1110			6637 MD		ESB000024	
21. Elevations (Show 5411 GL	v whether DF, K	B, RT, GL, etc.	22. Approximate dat 04/01/2013	te work will start	23. Estimated duration 7 DAYS RECEI	A francis grants
			24. At	tachments		
The following, complet	ed in accordanc	e with the requirement	s of Onshore Oil and Gas	Order No. 1, shall be attached to	this form:	2013
 Well plat certified by A Drilling Plan. A Surface Use Plan 	y a registered su	rveyor.	ystem Lands, the Office).	 Bond to cover the operation Item 20 above). Operator certification Such other site specific in authorized officer. 		•
(Electronic Sub	omission)		Name (Printed/Typed JAN NELSON	Ph: 435-781-4331		Date 11/05/2012
Title PERMIT AGEN	IT					
Approved by (Signatu	are)	0 000i	Name (Printed/Typed	Jerry Kenczk	a	Date MAY 1 5 2013
Lapds &	Mineral Res	NIFGES	Office	VERNAL FIELD OFF		
Application approval do operations thereon. Conditions of approval,	if any, are attac	or certify the applicant hed.	holds legal or equitable ti	tle to those rights in the subject le	ease which would entitle the a	

Electronic Submission #158981 verified by the BLM Well Information System For QEP ENERGY COMPANY, sent to the Vernal Committed to AFMSS for processing by JOHNETTA MAGEE on 11/16/2012 (13JM0074AE)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOTICE OF APPROVAL

No Stipulations of DOGN Lease Notices

JUNDITIONS OF APPROVAL ATTACHED



UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE** 170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Well No: API No:

QEP ENERGY COMPANY

RW 33-23 AGR 43-047-53303

Location: Lease No: NWSE, Sec. 23, T7S, R22E

UTU-0559

Agreement:

OFFICE NUMBER:

(435) 781-4400

OFFICE FAX NUMBER:

(435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

Page 2 of 8 Well: RW 33-23 AGR 5/13/2013

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop
 work and contact the Authorized Officer (AO). A determination will be made by the AO as to what
 mitigation may be necessary for the discovered paleontologic material before construction can
 continue.

CONDITIONS OF APPROVAL:

- Green completions would be used for all well completion activities where technically feasible.
- Employ enhanced VOC emission controls with 95% control efficiency on production equipment having a potential to emit greater than 5 tons per year.
- The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. The reserve pits for the wells will be lined with a 16 ml liner with felt.
- A dike will be constructed around those production facilities that contain fluids. The dikes will be constructed
 of compacted subsoil. They will be impervious, hold 10 percent more than the capacity of the largest tank,
 and be independent of the back cut.
- All permanent (meaning on site for six months or longer) structures will be painted Covert Green to match the surrounding landscape color unless otherwise authorized. This will include all facilities except those required to comply with Occupational Safety and Health Act (OSHA) regulations.
- If dry, the wells will be plugged and abandoned as per BLM and State of Utah requirements.
- Prior to construction, an invasive plants/noxious weeds inventory will be completed for all areas where surface disturbance will occur. A completed Weed Inventory form documenting any occurrences of invasive plants or noxious weeds will be submitted to the BLM Authorized Officer before surface disturbance will occur.
- All vehicles and equipment would be cleaned either through power-washing, or other approved method, if the vehicles or equipment are brought in from areas outside the Uinta Basin, to prevent weed seed introduction.
- The operator will control noxious/invasive weeds along their roads, pipelines, well sites, or other applicable facilities by the application of herbicides or by mechanical removal until reclamation is considered to be successful by the authorized officer (AO) and the bond for the well is released. A list of noxious weeds will be obtained from the BLM or the appropriate county extension office. On BLM-administered land, the operator will submit a Pesticide Use Proposal and obtain approval prior to the application of herbicides, other pesticides, or possible hazardous chemicals.

- Immediately upon well completion, the location and surrounding area shall be cleared of all unused tubing, equipment, debris, materials, and trash. Any hydrocarbons in the pit will be removed in accordance with 43 CFR 3162.7-1.
- The reserve pit and the portion of the well not needed for production facilities/operations shall be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, or as soon as environmental conditions allow. The stockpiled pit topsoil will then be spread over the pit area and broadcast-seeded/drill seeded (preferred method) with a seed mix submitted to the BLM Authorized Officer (AO) for approval prior to seeding. Seeding will be done in the fall prior to winter freezing of the soil. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or other heavy equipment. If initial seeding is not successful, reseeding may be required.
- Once the well is plugged and facilities are removed and abandoned, the topsoil shall be stripped and stockpiled off of the location, and the well site, pipelines, and access roads will be returned to natural contours. The topsoil shall be respread, and the location seeded with the mixture submitted to the BLM AO. The seed mixture shall be worked into the topsoil with a drill seeder, bulldozer or other heavy equipment.
- Interim reclamation, final reclamation, and monitoring of reclaimed areas will be completed in accordance with the QEP Energy Company, Uinta Basin Division's Reclamation Plan, September 2009 on file with the Vernal Field Office of the BLM.
- Prior to any surface disturbance, vegetative monitoring locations and reference sites will be identified by QEP and approved by the BLM AO. Vegetation monitoring protocol will be developed by QEP and approved by the BLM AO prior to implementation of revegetation techniques and will be designed to monitor % basal vegetative cover.
- Revegetated areas will be inspected annually and monitored to document location and extent of areas with successful revegetation, and areas needing further reclamation (for a period of 5 years after construction completion). A reclamation report will be submitted to the AO by March 31 of each year.
- QEP has agreed not to construct or drill during the following dates, unless otherwise determined by the BLM Authorized Officer.

Table 2-3 Raptor nesting timing restriction

Well Name	Burrowing Owl	Red Tailed	Ferruginous	Golden Eagle
	March 1 to	Hawk March 1	Hawk March 1 to	January 1 to
	August 31	to August 15	August 1	August 31
RW 11-26AGR	No	No	No	No
RW 12-27A	Yes	No	No	No
RW 22-17BGR	No	No	No	No
RW 22-18BGR	No	No	No	No
RW 24-24AGR	No	No	No	No
RW 24-30B	No	Yes	No	No
RW 24-29BGR	No	No	Yes	No
RW 31-22A	No	No	No	Yes
RW 31-31BGR	No	Yes	No	No
RW 32-23A	No	No	Yes	Yes
RW 32-33A	No	No	Yes	No
RW 33-23AGR	No	No	Yes	Yes
RW 34-20BGR	No	No	Yes	No
RW 34-21A	No	No	No	Yes

RW 34-28A	No	No	No	No
RW 42-13AGR	No	No	No	No

Yes indicates that drilling or construction will not commence during this time period unless approved by the BLM authorized officer.

- QEP will educate its contractors and employees about the relevant federal regulations intended to
 protect paleontological and cultural resources. All vehicular traffic, personnel movement,
 construction, and restoration activities shall be confined to areas cleared by the site inventory and
 to existing roads. If any potential paleontological or cultural resources are uncovered during
 construction, work will stop immediately in the area and the appropriate BLM AO will be notified.
- A paleontological survey was conducted on all areas where surface disturbance would occur Table
 2-2 indicates where and when a paleontologist would be required to monitor surface disturbing activity.

Table 2-2 Paleontological Resources Survey Results.

Table 2-21 alcontological Resources Survey Results.											
Well Name	BLM Authorized	BLM Authorized	BLM Authorized	BLM Authorized							
	Permitted	Permitted	Permitted	Permitted							
	Paleontologist Will	Paleontologist	Paleontologist	Paleontologist							
	Monitor the Access	Will Monitor the	Will Monitor the	Will Monitor for							
	Road.	Pipe Line.	Well Pad.	the Power Line.							
RW 11-26AGR	Yes	Yes	Yes	Yes							
RW 12-27A	Yes	Yes	Yes	No							
RW 22-17BGR	No	No	Yes	No							
RW 22-18BGR	No	No	No	No							
RW 24-24AGR	No	No	No	No							
RW 24-30B	No	No	No	No							
RW 24-29BGR	No	No	No	No							
RW 31-22A	Yes	Yes	Yes	No							
RW 31-31BGR	Yes	Yes	Yes	Yes							
RW 32-23A	No	No	No	No							
RW 32-33A	Yes	Yes	Yes	No							
RW 33-23AGR	No	No	No	No							
RW 34-20BGR	No	No	No	No							
RW 34-21A	No	No	No	No							
RW 34-28A	No	No	Yes	No							
RW 42-13AGR	Yes	Yes	Yes	No							

Yes indicates that QEP would provide a BLM Authorized Permitted Paleontologist to monitor the construction process for the access road, pipe line, well pad, or power line.

Page 5 of 8 Well: RW 33-23 AGR 5/13/2013

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- A formation integrity test shall be performed at the surface casing shoe.
- Gamma Ray Log shall be run from Total Depth to Surface.
- Cement for long-string shall be brought to 200' above surface casing shoe.
- Surface Casing shall be cemented to surface

Variances Granted

Air Drilling

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends
- Automatic igniter. Variance granted for igniter due to water mist.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily
 drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order
 No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a
 test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's
 log.

Page 6 of 8 Well: RW 33-23 AGR 5/13/2013

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is
 encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal
 Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
 Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well by CD (compact disc).
 This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 7 of 8 Well: RW 33-23 AGR 5/13/2013

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written communication
 and must be received in this office by not later than the fifth business day following the date on
 which the well is placed on production. The notification shall provide, as a minimum, the following
 informational items:
 - o Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be
 reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported
 verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will
 be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of
 Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid,

Page 8 of 8 Well: RW 33-23 AGR 5/13/2013

and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to
 the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first.
 All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All
 product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in
 accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
 lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a
 suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be
 obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval
 of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Sundry Number: 39127 API Well Number: 43047533030000

	STATE OF UTAH		FORM 9	
ı	DEPARTMENT OF NATURAL RESOURG DIVISION OF OIL, GAS, AND MI		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0559	
SUNDR	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
	oposals to drill new wells, significantly reenter plugged wells, or to drill horizon n for such proposals.		7.UNIT or CA AGREEMENT NAME: RED WASH	
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: RW 33-23AGR			
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047533030000	
3. ADDRESS OF OPERATOR: 11002 East 17500 South	Vernal, Ut, 84078 303	PHONE NUMBER: 3 308-3068 Ext	9. FIELD and POOL or WILDCAT: RED WASH	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2008 FSL 2169 FEL		COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNSH Qtr/Qtr: NWSE Section: 2	dian: S	STATE: UTAH		
11. CHECI	K APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
	ACIDIZE	ALTER CASING	CASING REPAIR	
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME	
	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE	
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION	
·	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK	
✓ SPUD REPORT	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION	
Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON	
6/13/2013				
DRILLING REPORT	L TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL ☐	
Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	APD EXTENSION	
	WILDCAT WELL DETERMINATION	OTHER	OTHER:	
ON 6/13/2013- QEP	COMPLETED OPERATIONS. Clearly show P ENERGY COMPANY SET 4 PE AND CEMENTED WITH REA	0' OF 14" CONDUCTOR	Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY June 18, 2013	
NAME (PLEASE PRINT) Valyn Davis	PHONE NUME 435 781-4369	BER TITLE Regulatory Affairs Analyst		
SIGNATURE	400 /01-4003	DATE		
N/A		6/18/2013		

BLM - Vernal Field Office - Notification Form

Operator <u>QEP ENERGY</u> Rig Name/# <u>SST 88</u> Submitted By <u>Dave Harding</u> Phone Number <u>435-828-0396</u> Well Name/Number <u>RW 33-23AGR</u> Qtr/Qtr <u>NW/SE</u> Section <u>23</u> Township <u>7S</u> Range 22E Lease Serial Number <u>UTU0559</u> API Number 43-047-53303
Spud Notice — Spud is the initial spudding of the well, not drilling out below a casing string.
Date/Time <u>6/13/2013</u> <u>8:00</u> AM ⊠ PM □
Casing — Please report time casing run starts, not cementing times. Surface Casing Intermediate Casing Production Casing Liner Other
Date/Time AM
BOPE Initial BOPE test at surface casing point BOPE test at intermediate casing point 30 day BOPE test Other RECEIVED RECEIVED
Date/Time AM
Remarks We will be spudding the well and setting 40' of 14" conductor

BLM - Vernal Field Office - Notification Form

Operator <u>QEP ENERGY</u> Rig Name/# <u>SST 88</u> Submitted By <u>David Reid</u> Phone Number <u>435-828-03</u> Well Name/Number <u>RW 33-23AGR</u> Qtr/Qtr <u>NW/SE</u> Section <u>23</u> Township <u>7S</u> Range 22E	<u>396</u>
Lease Serial Number <u>UTU0559</u> API Number 43-047-53303	
<u>Spud Notice</u> – Spud is the initial spudding of the well, out below a casing string.	not drilling
Date/Time <u>6/13/2013</u> <u>8:00</u> AM ∑ PM ☐	
Casing — Please report time casing run starts, not cem times. Surface Casing Intermediate Casing Production Casing Liner Other	enting
Date/Time <u>6/17/2013</u> <u>08:00</u> AM ⊠ PM ☐	
BOPE Initial BOPE test at surface casing point BOPE test at intermediate casing point 30 day BOPE test Other	RECEIVED JUN 1 6 2013 DIV. OF OIL, GAS & MINING
Date/Time AM Description PM Description	
Pemarks We will be drilling and setting 500' of 8 5/8	

' casing and cementing same on 6/17/2013 satarting @ 8:00am with pro-petro rig 8

BLM - Vernal Field Office - Notification Form

Hard Well Qtr/ Leas	rator QEP ENERGY Rig Name/# SST 88 Submitted along Phone Number 435-828-0396 Name/Number RW 33-23 AGR Qtr NW/SE Section 23 Township 7S Range 22E Se Serial Number UTU0559 Number 43-047-53303	d By <u>Dave</u>
	d Notice – Spud is the initial spudding of the well, below a casing string.	not drilling
	Date/Time AM PM	
Casi time	ng — Please report time casing run starts, not cemes. Surface Casing Intermediate Casing Production Casing Liner Other	enting
	Date/Time AM	
BOP	Initial BOPE test at surface casing point BOPE test at intermediate casing point	RECEIVED JUL 07 283 XX OF OIL, GAS & MINING
	Date/Time <u>7/8/2013</u> <u>2:00</u> AM ☐ PM ⊠	
Rem	arks We will be pressure testing the pre-set surfac	<u>ce</u>

Sundry Number: 41709 API Well Number: 43047533030000

	STATE OF UTAH		FORM 9
ı	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MIN		5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0559
SUNDR	Y NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	posals to drill new wells, significantly reenter plugged wells, or to drill horizo n for such proposals.		7.UNIT or CA AGREEMENT NAME: RED WASH
1. TYPE OF WELL Oil Well			8. WELL NAME and NUMBER: RW 33-23AGR
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047533030000
3. ADDRESS OF OPERATOR: 11002 East 17500 South	9. FIELD and POOL or WILDCAT: RED WASH		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2008 FSL 2169 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSH Qtr/Qtr: NWSE Section: 2	dian: S	STATE: UTAH	
11. CHECI	K APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
Approximate date work will start:	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	New construction
8/24/2013		PLUG AND ABANDON	PLUG BACK
	OPERATOR CHANGE		
SPUD REPORT Date of Spud:	▼ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
DRILLING REPORT	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL
Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	APD EXTENSION
	WILDCAT WELL DETERMINATION	OTHER	OTHER:
THIS WELL COMM	COMPLETED OPERATIONS. Clearly show ENCED PRODUCTION ON AUP.M.	JGUST 24, 2013 @ 9:00	Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY August 27, 2013
NAME (PLEASE PRINT) Benna Muth	PHONE NUMB 435 781-4320	ER TITLE Regulatory Assistant	
SIGNATURE		DATE	
N/A		8/26/2013	

API Well Number: 43047533030000

(5/2000)

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING									AMENDED REPORT FORM 8 (highlight changes) 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU0559 6. IF INDIAN, ALLOTTEE OR TRIBE NAME								
WELL	LCON	/IPLET	ION	OR R	ECO	MPL	ETIO	N RE	EPOF	T AND	LOG	ACIEN	6. IF INDIA	N, ALLO	OTTEE OR 1	RIBE N	IAME
1a. TYPE OF WELL:	:	OI W		G	AS C]	DRY [ОТН	ER					REEMENT N	IAME	
b. TYPE OF WORK										_	RED B. WELL N	355366 5	SH Id NUMBER				
NEW V	HORIZ. L] DE	EP-	R E	E- NTRY]	DIFF. RESVR.	\Box	ОТН	ER					3AGR		
2. NAME OF OPERA		OMPAN	ΙΥ										9. API NUN 4304		303		
3. ADDRESS OF OP 11002 E. 17		-	ITY VE	⊋ΝΙΔΙ		CTATE	UT	₇₁₀ 840	78		NUMBER: 5) 781-432		10 FIELD A		OL, OR WIL	DCAT	
4. LOCATION OF W	ESTREMENT CONTRACT		(1) VL	NV V		SIAIL	01	211 0 10		(10	0) 101 102				CTION, TOV	VNSHIF	, RANGE,
AT SURFACE:	NWSE	, 2008' I	FSL, 2	169' F	EL										3 7S	23	
AT TOP PRODUC	CING INTER	RVAL REPOR	RTED BEL	ow: N	WSE,	2008	FSL,	2169'	FEL				111102				
AT TOTAL DEPT	H: NW	SF. 200	8' FSL	2169	' FEL								12. COUNT			13. \$	STATE UTAH
14. DATE SPUDDED		15. DATE T			16. DATE	COMPL	ETED:			55000					IONS (DF, R	KB. RT	
6/13/2013		7/12/2				/2013		A	ABANDON	ED 🗌	READY TO PROD	DUCE 🗸			l' GL	2	/.
18. TOTAL DEPTH:	O	,700	1	9. PLUG	BACK T.D	.: MD			20. IF	MULTIPLE CO	OMPLETIONS, HO	W MAN		EPTH E		MD	
	TVD 6			0 0 0 0 0 0		TVD				loo.						ΓVD	
22. TYPE ELECTRIC	CANDOTH	IER MECHAN	NICAL LOG	S RUN (S	submit cop	y or eacn)			23. WAS WEL	L CORED?		NO 🗸	YES	(S	ubmit a	analysis)
CBL, RST										WAS DST	RUN?		NO 🗸	YES	(S	ubmit r	eport)
										DIRECTIO	NAL SURVEY?		NO 🗸	YES	(S	ubmit c	ору)
24. CASING AND LI	INER RECO	ORD (Report	all strings	set in we	II)						r					_	
HOLE SIZE	SIZE/G	RADE	WEIGHT	(#/ft.)	TOP (MD)	вотто	M (MD)		EPTH	CEMENT TYPE NO. OF SACKS		SLURRY LUME (BBL	.) C	EMENT TOP	** /	AMOUNT PULLED
12.25	8.625	HC16	32		0		53	33		360		60	74				
7.875	5.5	L-80	17		0		6,6	81			1,39		448		1910		
		Linia L															
		nim -ii															
		= 1															
Part of the second												113					
25. TUBING RECOR	_													520252	170-20-00-20-0	_	
SIZE	_	H SET (MD)	PACK	ER SET (N	(D)	SIZE	10	DEPTH	SET (MD) PACKE	R SET (MD)	SIZ	E	DEPT	TH SET (MD) P.	ACKER SET (MD)
2.875 26. PRODUCING IN	According to	,439								27 DEBEO	RATION RECORD	NO.					
FORMATION		TOP	(MD)	вотто	M (MD)	TOP	(TVD)	вотто	M (TVD)	DATE OF THE OWNER OF THE	L (Top/Bot - MD)	SIZ	E NO. H	HOLES	PER	FORAT	TON STATUS
(A) GREEN F		_	640		160					5,640	6,460	.4	2 1	35	Open	Sq	jueezed
(B)					THE REAL PROPERTY.										Open	So	ueezed
(C)		1											1		Open	So	queezed
(D)															Open	So	queezed
28. ACID, FRACTU	RE, TREAT	MENT, CEM	ENT SQUE	EEZE, ETC													
DEPTH	INTERVAL		1					200	· AN	OUNT AND T	TYPE OF MATERIA	AL.					
5,640 - 6,46	0		1453	BBLS	S DEL	TA 14	0; 97	,220 L	BS 20	/40 SAN	ID, 12,066	LBS	16/30 8	SANI)		
anavide.																	
29. ENCLOSED AT	TACHMEN	TS:													30. V	VELL S	TATUS:
\equiv		CHANICAL L		CEMENT	VERIFICA	ATION		GEOLOG CORE AN	IC REPOR	-	DST REPORT OTHER: OPS	- Te	RECTIONA MARY	AL SUR	VEY	F	POW
							10000000				10	- Constant					

(CONTINUED ON BACK)

31. INITIAL PRO	DUCTION				INT	ERVAL A (As sho	wn in item #26)								
DATE FIRST PRODUCED: 8/24/2013		TEST DATE: 11/12/2013		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL:	GAS - MCF;	WATER - BBL: 481		PROD. METHOD: EPU			
CHOKE SIZE: TBG. PRESS. CSG. PRESS. API GRAVITY		AVITY			24 HR PRODUCTION RATES: →		OIL – BBL:	GAS – MCF:	WATER - BBL: 481		INTERVAL STATUS:				
					INT	ERVAL B (As sho	wn in item #26)				2				
DATE FIRST PRODUCED:		TEST DATE:	TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER -	- BBL:	PROD. METHOD:		
CHOKE SIZE: TBG. PRESS. C		CSG. PRESS	SG. PRESS. API GRAVITY		BTU – GAS GAS/OIL RATIO		24 HR PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER -	- BBL:	INTERVAL STATUS:		
					INT	ERVAL C (As sho	wn in item #26)						-		
DATE FIRST PRODUCED:		TEST DATE:			HOURS TESTED:		TEST PRODUCTION RATES: →		OIL – BBL;	- BBL: GAS - MCF:		- BBL:	PROD. METHOD:		
CHOKE SIZE:	CHOKE SIZE: TBG. PRESS. CSG. PRESS. API GRAVIT		AVITY	BTU – GAS	24 HR PRODUCTION RATES: →		OIL – BBL:	GAS - MCF: WATER		- BBL: INTERVAL STATUS:					
					INT	ERVAL D (As sho	wn in item #26)		<u> </u>		-				
DATE FIRST PR	ODUCED:	TEST DATE:			HOURS TESTED	D:	TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF:	WATER - BBL		PROD. METHOD:		
CHOKE SIZE:	CHOKE SIZE: TBG. PRESS. CSG		SS. API GRAVITY		BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL:	GAS – MCF: WATER		- BBL: INTERVAL STATUS:			
32. DISPOSITIO	N OF GAS (SOI N LEASE	d, Used for Fuel	, Vented, Etc	;.)	•	•	A								
33. SUMMARY	OF POROUS ZO	NES (Include A	quifers):					34	. FORMATION (Log) MARKERS:					
Show all importantested, cushion u						n tests, including de	epth interval								
Formation	on	Top (MD)	Top Bottom (MD)		Descriptions, Contents, etc.					Name			Top (Measured Depth)		
	9							N E	JINTA GREEN RI' MAHOGAN EAGLE WASATCH	IY BENCH			0 3,133 3,972 5,096 6,525		
35. ADDITIONA	L REMARKS (In	clude plugging	procedure)							-					
36. I hereby cer	tify that the for	egoing and atta	ched informa	ation is o	complete and corre	ect as determined	from all available	reco	rds.						
NAME (PLEAS	E PRINT) BE	NNA MUT	Н				TITLE RE	EGI	ULATORY	ASSISTAN	T - COI	NTRA	ACT		
SIGNATURE_	73	ema	SM	ut	h			27/	/2014						
drillingrecon	leting or plug g horizontal npleting to a	gging a new laterals from different pro	well an existin	g well mation	bore •	significantly of drilling hydro	previously pluge deepening an e carbon explora rom two or mor	xist tory	ing well bore holes, such	below the prev	vious bott es and sti	om-ho ratigra	le depth phic tests		

**ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)



Daily Activity and Cost Summary

Well Name: RW 33-23AGR

API Surface Legal Location				Name			County State			ы		Well Configuration	Туре		
43-047-53303 S23-T2S-R22E Unique Well ID Ground Elevation (f			Casing Flange Elevation (ft)	KEL	RED WASH Current KB to GL (ft)		UINTAH KB to CF (ft)		UTAH			Vertical Final Drig Rig Release			
		5.407.							Spud Date 6/13/2013				7/14/2013 0	6:00	
Job Category Primary Job Type				Second			ary Job Type Objective								
RILLING			DEVELOPMENT												
tart Date		6/13		Job End	Date			7/1/	2013						
urpose		0/13	12013							7714	2013				
Summary															
Contractor				TRIG				Rig Type							
Pete Martin Drilling					PETE MARTIN 1			AUGER RIG							
Contractor				RIG				Rig Type							
Pro Petro		- All All All All All All All All All Al	All afficiences in the district of the control of t	AIR 8				AIR RIG							
Contractor SST Energy			RIG SST 88					Rig Type TOP DRIVE							
DOL	and the same of th	art Date													
	6/4/2013		RE SPUD COSTS	40240754381	INC. SPECIAL STREET, SPECIAL STREET, SPECIAL S	leHdaledaziakus			ational attorn	MINDSSTRACT		011111111111111111111111111111111111111	SHORESHIELD DESIGNATION OF THE	3111111111111111	
2	6/13/2013	R	RIG UP PETE MARTIN, DRILL 20' HOLE TO 40' AND SET 14" CONDUCTIOR, CEMENT												
3	6/18/2013	Tw.	WATER TO PIT												
4	6/19/2013	W	WATER TO PIT												
5	6/22/2013	M	3' OF 8 5/8"	CASING	G, CEMEN	IT. RID DO	M NWC	O AVC	UT						
6	7/5/2013	R	RIG DOWN, WAIT ON DAYLIGHT												
7	7/6/2013	M	IRU, MOVE 3.9 MOLES	WIT	H WESTRO	C TRUC	KING, W	AIT ON DA	AYLIGH	T			_		
8	7/7/2013	M	MIRU, MOVE 3.9 MILES WITH WESTROC TRUCKING, WAIT ON DAYLIGHT												
9	7/8/2013	R	RIG UP, PRESSURE TEST, PICK UP BHA, DRILL SHOE TRACK, FIT.												
10	7/9/2013	D	RILLING, RIG SERVICE	, WI	PER TRIP.										
11	1 7/10/2013 TRIP OUT TO 2762 FT WASH & REAM BACK TO BOTTOM DRILL BLIND TO 3995 FEET GAINED PART RETURN CONT TO DRILL AT A REDUCED PUMP RATE WITH 75% RETURNS							NS							
12	2 7/11/2013		DRILL FROM 4611 FT TO 5940 FT BIT WT = 20K RPM=180 GPM= 465 FPR= 56.5 RIG SERVICE												
13	7/12/2013	Į.	DRILL FROM 5940 TO 6700 FT (T.D.) CIRC 2 HIGH VIS LCM SWEEPS SHORT TRIP FROM 6700 FT TO 3068 FT WASH & REAM 90 FT TO BOTTOM NO FILL CIRC 2 MORE HIGH VIS LCM SWEEPS TO SURFACE PUMP TRIP SLUG AND LAY DOWN DRILL PIPE												
14	7/13/2013		FINISH LAYING DOWN DRILL PIPE, RUN 5 1/2' CASING TO 6681'. RIG UP AND PUMP CEMENT, LOST RETURNS WHEN STARTING DISPLACEMENT.SET PACK OFF AND CLEAN MUD TANKS AND NIPPLE DOWN BOP												
15	7/15/2013	В	ADE LOCATION												
	7/16/2013										****	-			

QEP Energy Company

Page 1/1

Report Printed: 9/23/2013

RECEIVED: Jan. 27, 2014

Sundry Number: 49155 API Well Number: 43047533030000 FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

	FORM 9									
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0559									
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:									
Do not use this form for pro current bottom-hole depth, FOR PERMIT TO DRILL form	7.UNIT or CA AGREEMENT NAME: RED WASH									
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: RW 33-23AGR									
2. NAME OF OPERATOR: QEP ENERGY COMPANY			9. API NUMBER: 43047533030000							
3. ADDRESS OF OPERATOR: 11002 East 17500 South,	Vernal, Ut, 84078 303	PHONE NUMBER: 308-3068 Ext	9. FIELD and POOL or WILDCAT: RED WASH							
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2008 FSL 2169 FEL			COUNTY: UINTAH							
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 23 Township: 07.0S Range: 22.0E Merid	lian: S	STATE: UTAH							
11. CHEC	K APPROPRIATE BOXES TO INDICAT	E NATURE OF NOTICE, REPOR	RT, OR OTHER DATA							
TYPE OF SUBMISSION		TYPE OF ACTION								
,	ACIDIZE	ALTER CASING	CASING REPAIR							
Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME							
9/1/2014	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	✓ CONVERT WELL TYPE							
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION							
Date of Work Completion.	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK							
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION							
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON							
	TUBING REPAIR	VENT OR FLARE	WATER DISPOSAL							
DRILLING REPORT	WATER SHUTOFF	SI TA STATUS EXTENSION	APD EXTENSION							
Report Date:	WILDCAT WELL DETERMINATION	OTHER	OTHER:							
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. QEP ENERGY COMPANY REQUESTS APPROVAL TO RECOMPLETE THE RW 33-23AGR AND CONVERT TO A SALT WATER DISPOSAL WELL. PLEASE SEE ATTACHED PROCEDURE. Date: March 25, 2014 By:										
NAME (PLEASE PRINT)	PHONE NUMB	ER TITLE								
Benna Muth	435 781-4320	Regulatory Assistant								
SIGNATURE N/A		DATE 3/25/2014								

Sundry Number: 49155 API Well Number: 43047533030000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

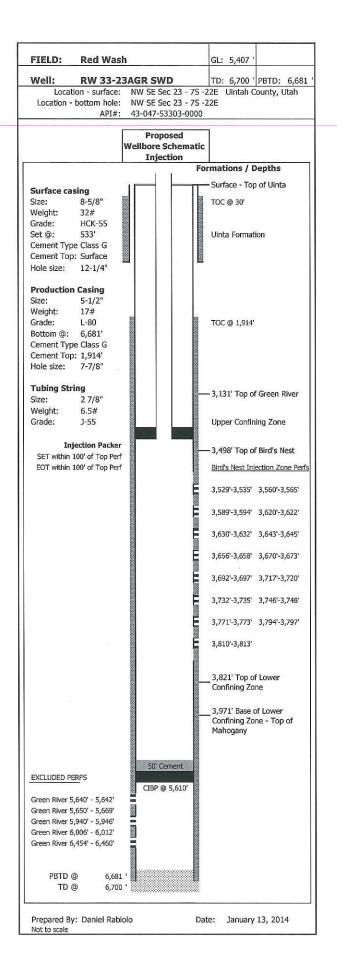
Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047533030000

100' cement should be placed on CIBP @ 5610' not 50'. 100' plug should be placed across the base of the bottom confining layer from \sim 4000' to 3900'.

RECEIVED: Mar. 25, 2014

Sundry Number: 49155 API Well Number: 43047533030000



RW 33-23AGR - Conversion to SWD Procedure

MIRU service unit

POOH with rods
ND WH and NU BOP
POOH with Tubing
RIH with gauge ring to 5630'
RIH with CIBP, set @ 5,610', cap with 50' cement
RU Wireline, perforate Birds Nest from 3,529' to 3,813', RD Wirelin
Clean up perforations with 15% HCl
RIH with Arrowset packer and tubing, set packer @ +/- 3,500'
ND BOP and NU WH
RDMO service unit